

Expanded Montgomery County

Property Tax Reduction

IMPORTANT

In the past few years, both the State of Maryland and Montgomery County greatly enhanced the eligibility requirement for the Homeowner's Property Tax Credit programs.

In 2007, the County offers a new Senior Property Tax Credit using the Homeowners' Property Tax Credit application.

CHANGES

In 2005, Montgomery County DOUBLED the maximum property amount (to compute eligible property tax) from \$150,000 to \$300,000

In 2006, the State also DOUBLED the amount to \$300,000

Qualified Retirement Savings are now EXCLUDED from the \$200,000 Net Worth requirement.

Income formula was ENHANCED by the State and County to make more taxpayers eligible and increase credit amount.

New Senior Property Tax Credit, for residents at least 70 years of age, is based on 25% of the combined State and County Homeowners' Property Tax Credit.

HOMEOWNER'S TAX CREDITS

- Do you own and live in a home in Montgomery County and make less than \$64,000?
- If so, you may be eligible for a reduction in your property tax bill, thanks to a tax credit that is available to low- and moderate-income homeowners!
- *Last year, residents received over \$7.8 million in credits from the State and County.*
- In the last several years, both programs were greatly enhanced. Please review the following details and please apply if you meet the requirements. If you are not sure, call the State at (800) 944-7403.
- In addition to the State of Maryland and Montgomery County credits, there are also credits available for residents in the City of Rockville and City of Gaithersburg. These are also administered by the State.

DETAILS

- The County Supplemental Credit is provided by Montgomery County and is available through the Maryland Homeowner's Property Tax Credit Program.
- Identical to the State program, it is a reduction (credit) to your tax bill paid for by Montgomery County.
- Both state and county credits are administered by the State Department of Assessments and Taxation (SDAT). A homeowner needs to apply each year only once to the state, and they will determine your eligibility for both credits.
- *To apply, call SDAT at 1-800-944-7403 for an application form, or visit their website to [download](#) the form and instructions.*
- Both the State and Montgomery County enhanced the credit programs to make more taxpayers eligible. Even if you applied for the credit in the past but did not receive it, you might be eligible this year. *It pays to apply and see.*

Here are the important details of the County credit:

- You may be eligible if your annual household income is close to \$64,000.
- You must own and live in your home in Montgomery County.
- You must have lived in that home for 6 months, or will live in it for 6 of the next 12 months.
- Your home may be assessed at any amount, but only the first \$300,000 of its assessed value will be counted for this credit.
- The combined net worth of everyone in your household must not exceed \$200,000. This does not include the value of your principal residence *and starting last year excludes the cash value of any qualified retirement savings or individual retirement accounts.*
- Beginning 2007, the County introduced a Senior Property Tax Credit. If you are eligible for either one or both State and County credits, and you are at least 70 years of age, you will automatically receive this credit as well.

What's the application deadline?

- The deadline for the *reduction to your 2007-8 tax bill* is October 31, 2007. To see if you are eligible for this tax credit, apply to SDAT before this deadline.
- Approved credits will lower your tax amount due and result in "revised" tax bills.
- If the County is not notified of the approved credit until after you paid your taxes in September and December, you will receive a refund from the County.
- There is one important exception to this filing deadline: Any taxpayer at least 70 years old can apply retroactively for the current tax year, plus two previous years, as long as the taxpayer was at least *70 years old* in the year for which the application is filed.

To apply, call SDAT at 1-800-944-7403 for an application form, or visit their website at <http://www.dat.state.md.us/> to [download](#) the form and instructions